

**STATE OF WASHINGTON
OFFICE OF THE INSURANCE
COMMISSIONER**



FINANCIAL EXAMINATION

OF

**Aetna Health Inc.
Seattle, Washington**

**NAIC CODE 47060
DECEMBER 31, 2004**

**Exhibit A
Order No. G06-40
Aetna Health, Inc.**

SALUTATION

Seattle, Washington
May 3, 2006

The Honorable Mike Kreidler, Commissioner
Washington Office of the Insurance Commissioner (OIC)
Insurance Building
302 – 14th Avenue SW
Olympia, WA 98504

Dear Commissioner Kreidler:

In accordance with your instructions, and in compliance with the statutory requirements of RCW 48.44.145 and RCW 48.03.010, an examination was made of the corporate affairs and financial records of

Aetna Health Inc.

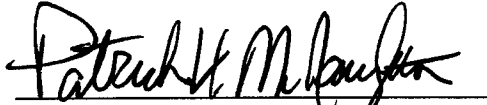
of

Seattle, Washington

hereinafter referred to as "Aetna" or the "Company," at the location of its administrative office, 980 Jolly Road, Blue Bell, Pennsylvania 19422. This report is respectfully submitted showing the condition of the Company as of December 31, 2004.

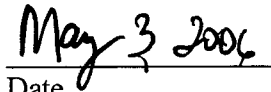
CHIEF EXAMINER'S AFFIDAVIT

I hereby certify I have read the attached Report of the Financial Examination of Aetna Health Inc. of Seattle, Washington. This report shows the financial condition and related corporate matters as of December 31, 2004.



PATRICK H. MCNAUGHTON

Chief Examiner



Date

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SCOPE OF THE EXAMINATION

This examination covers the period January 1, 2000 through December 31, 2004 and comprises a comprehensive review of the books and records of the Company. The examination followed the statutory requirements contained in the Washington Administrative Code (WAC), the Revised Code of Washington (RCW), and the guidelines recommended by the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (FCEH). The examination included identification and disposition of material transactions and events occurring subsequent to the date of examination that were noted during the examination.

Corporate records, external reference materials, and various aspects of the Company's operating procedures and financial records were reviewed and tested during the course of this examination and are commented upon in the following sections of this report. In addition, the Company's certified public accountant's (CPA's) work papers were reviewed and utilized, where possible, to facilitate efficiency in the examination.

INSTRUCTIONS

The examiners reviewed the Company's filed 2004 NAIC Annual Statement as part of the statutory examination. This review was performed to determine if the Company completed the NAIC Annual Statement in accordance with the NAIC Annual Statement Instructions and to determine if the Company's accounts and records were prepared and maintained in accordance with Title 48 RCW, Title 284 WAC, and the NAIC Statements of Statutory Accounting Principles (SSAP) as contained in the NAIC Accounting Practices and Procedures Manual (AP&P).

The following summarizes the exceptions noted while performing this review:

1. Investment Exceeded Limitations

The Company recorded the following investments in Schedule D of its 2004 NAIC Annual Statement:

CUSIP	Description	Annual Statement Amount	Maximum Allowed Amount	Exam Adjustment
683234MF2	Ontario Province	\$ 988,926	\$ 739,867	\$ 249,059
064057BF8	Bank of New York	997,772	739,867	257,905
260543BS1	Dow Chemical	995,690	739,867	255,823
339030AD0	Fleet Boston	998,347	739,867	258,480
	Total			<u>\$ 1,021,269</u>

RCW 48.13.030(1) and RCW 48.13.180(2) limit investments in any one entity to four percent of the company's total admitted assets unless the investment is backed by the full faith and credit of the United States Government. The Company's total admitted assets as of December 31, 2004 was \$18,496,665 and the maximum allowed amount was \$739,867. Each of these investments exceeded the maximum allowed amount of \$739,867. Thus, the total excess amount for these securities of \$1,021,269 has been non-admitted in the examination report. (See Notes to the Financial Statements No.1)

The Company is instructed to comply with RCW 48.13.030(1) and RCW 48.13.180(2) by limiting its investments in any single entity to four percent of total assets.

2. Premium Deficiency Reserves (PDR)

Premium deficiency reserves were understated by approximately \$700,000. SSAP No. 54, paragraph 18, states: "When the expected claims payments or incurred costs, claims adjustment expenses, and administration costs exceed the premiums to be collected for the remainder of a contract period, a premium deficiency reserve shall be recognized by recording an additional liability for the deficiency, with a corresponding charge to operations." (See Notes to the Financial Statements No. 2)

The Company is instructed to comply with RCW 48.43.097 which requires the filing of its financial statements in accordance with the AP&P; and with WAC 284-07-050(2) which requires adherence to the NAIC Annual Statements Instructions and the AP&P.

3. Statement of Actuarial Opinion

The Company submitted a statement of actuarial opinion with the 2004 NAIC Annual Statement. However, the statement did not include a list of any actuarial liabilities that were included in page 3, line 21. This is a violation of the NAIC Annual Statement Instructions which requires the actuary to review and opine on all required items listed in the actuarial opinion section of the NAIC Health Annual Statement Instructions even if the actuarial liability amount is zero.

The Company is instructed to comply with WAC 284-07-060(2)(a) which requires each company to include with its annual statement a statement of actuarial opinion setting forth the actuary's opinion related to the insurer's reserves and other actuarial items, prepared in accordance with the appropriate NAIC Annual Statement Instructions and the AP&P.

COMMENTS AND RECOMMENDATIONS

1. Catastrophe Reinsurance

The Company has no reinsurance of any type including aggregate catastrophe coverage. Aetna is currently reducing its health insurance operations and is moving towards becoming a health care service provider but currently it still assumes risks and incurs liabilities.

It is recommended that the Company investigate the availability of aggregate catastrophe coverage which could protect against unforeseen catastrophic occurrences at a reasonable cost.

2. Completion Factors Records for the Actuarial Opinion

The NAIC Annual Statement Instructions require an actuary to certify that the reserves are computed in accordance with accepted actuarial principles. The Actuarial Standard of Practice No. 41 (Section 3.6) requires an actuary to create records and other appropriate documentation supporting an actuarial communication, and to take reasonable steps to ensure that this documentation will be retained for a reasonable time and no less than the length of time necessary to comply with any statutory, regulatory, or other requirements. Such documentation should identify data, assumptions, and methods used by the actuary with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work. The Company was not able to provide adequate documentation for completion factors and actuarial judgment underlying the unpaid claims. See unpaid claims and claim adjustment expenses section of this report for more reserves information.

It is recommended the Company keep detailed documentation for the liabilities listed in the statement of actuarial opinion, including detailed calculations to support the statement that the reserves are computed in accordance with the accepted actuarial principles.

COMPANY PROFILE

History

Ethix Northwest, Inc. merged with and into Aetna Health of Washington Inc. on October 1, 2003. This merger was accounted for as a statutory merger. The surviving company of this merger was Aetna Health of Washington Inc.

Aetna Health Inc. merged with and into Aetna Health of Washington Inc. This merger was accounted for as a statutory merger. The surviving company of this merger was Aetna Health of Washington Inc. which changed its name to Aetna Health Inc.

Territory and Plan of Operation

The Company is a health care service contractor and is licensed to transact business in the state of Washington. The Company's operations include individual, small group, large group, and Federal health benefit plans.

Growth of Company

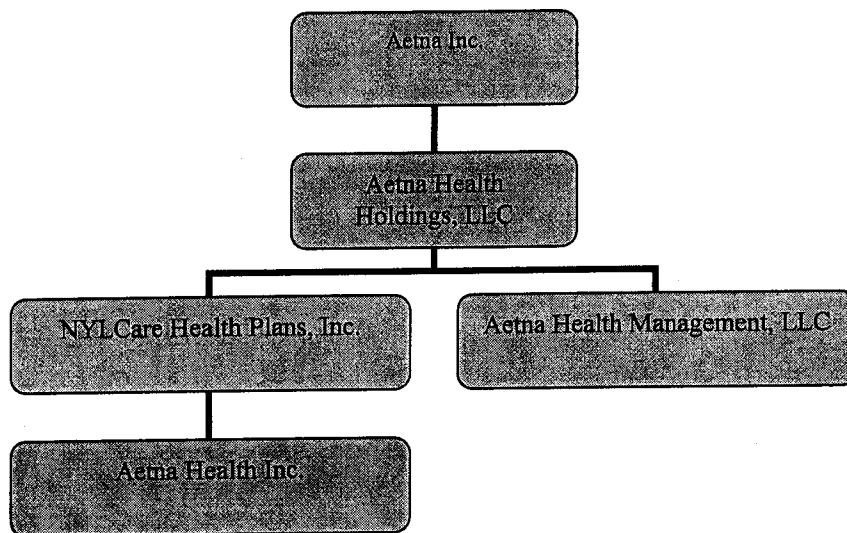
The following schedule reflects the growth of the Company by year based on the NAIC Annual Statement filings beginning in 2002:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assets, Liabilities, Capital and Surplus:			
Admitted Assets	\$18,496,665	\$46,006,079	\$69,459,707
Liabilities	6,589,330	17,478,908	36,996,621
Capital and Surplus	11,907,335	28,527,171	32,463,086
 Revenue and Expenses:			
Premiums Earned	45,731,985	53,418,528	111,278,094
Net Underwriting Deductions	42,308,585	45,731,343	127,228,375
Underwriting Gain or Loss	3,423,400	7,687,185	(15,950,281)
 Investment and Other Income	905,729	1,036,314	1,508,423
Pre-Tax Income	4,329,129	8,723,499	(14,441,858)
Taxes Incurred	928,226	(2,805,814)	6,008,436
Net Income	<u>\$5,257,355</u>	<u>\$5,917,685</u>	<u>\$ (8,433,422)</u>

The above schedule is for the latest three years due to prior acquisitions and mergers.

Affiliated Companies

Aetna Inc. is a large holding company system of approximately fifty six companies. The following organizational chart represents the direct company reporting relationship:



Intercompany Contracts

As of December 31, 2004, the Company was a party to the following inter-company contracts:

Administrative Services Contracts
Tax Sharing Agreement

January 1, 2004
December 14, 2000

MANAGEMENT AND CONTROL

The business and affairs of the Company is managed under the direction of the Board of Directors (BOD), consisting of three members. A majority of directors constitutes a quorum.

Directors

Article II, Section 2.2 of the Corporate Bylaws authorizes three directors with whom all matters concerning the management of the Company is vested.

Directors currently serving the Company at December 31, 2004 were:

Directors
Phillip Jeffrey Hass
Norman Seabrooks
Milton Dorian Schwarz, M.D.

Officers currently serving the Company at December 31, 2004 were:

<u>Officers</u>	<u>Responsibility</u>
Phillip Jeffrey Haas	President
William Calvin Baskin III	Vice President and Secretary
James David Weiss	Controller
Lee Durham Aurich	Regional Financial Officer
Russell Page Smith	Treasurer
Gregory Stephen Martino	Vice President
Kevin James Casey	Senior Investment Officer
Alicia Helene Bolton	Assistant Controller

Conflict of Interest

The Company does not have any employees as it operates with the use of Aetna Health Management, LLC (AHM) employees. All employees of the group are required to comply with a code of conduct. The code of conduct requires all employees of the group to complete an online code of conduct training annually and to submit a code of conduct acknowledgment electronically. The electronic acknowledgment includes conflict of interest questionnaire. New employees are required to complete online code of conduct training and an acknowledgement within their first 31 days and annually thereafter.

Company officers and directors are required to complete a conflict of interest statement annually. These statements are maintained in the corporate secretary's office.

All conflict of interest statements are reviewed by a compliance officer. If any potential conflict is not resolved to the satisfaction of the compliance officer, further review is conducted by appropriate corporate counsel for final determination.

Fidelity Bond and Other Insurance

The fidelity bond indemnifies the insured for loss caused by dishonest or fraudulent acts committed by employees with the manifest intent to cause the insured to sustain loss and to obtain improper financial benefit for the employee. Coverage is extended to loss of property on premises as well as in transit. Loss resulting from forgery or alteration is covered. It also applies to loss sustained by the insured because of its reliance upon certain listed instruments (securities) that bear a forged signature, altered, counterfeit or stolen. Travelers Casualty and Surety Bonds of America issued the bond with a limit of \$5 million.

Also, the Company is a named insured under the Insurance Company Professional Liability (E&O). The policy was issued by Lloyd's of London for \$15 million and is a claims made coverage. E&O provides coverage for loss from any claim reported for an actual or alleged wrongful act by the Company where the Company is legally responsible in the rendering or failure to render professional services which includes services

performed by the Company for a third party client pursuant to a contract, for the benefit of the Company.

The fidelity coverage carried by the Company exceeds the minimum recommended amount by the NAIC.

Officers', Employees', and Agents' Welfare and Pension Plans

As noted under the Conflict of Interest section of this report, the Company does not have any employees as it operates with the use of AHM employees. As of December 31, 2004, the Company reimbursed AHM for use of its employees based on an inter-company sharing agreement. As such, no obligations to employees for pension or retirement plans are necessary for the Company.

CORPORATE RECORDS

In general, the review of the minutes of the BOD indicated that the minutes were adequately approved and supported the transactions of the Company and the actions taken by its officers. All BOD meetings were conducted with a quorum present.

UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The OIC actuary reviewed the Company's actuarial report, claims unpaid, and other claim liabilities as of December 31, 2004. The review included examining reserving philosophy and methodologies to determine reasonableness of the liabilities booked in page 3, line 1 through line 7 of the 2004 NAIC Annual Statement. It also included verifying that claims liabilities include provisions for all components as noted in SSAP No. 55, paragraphs 7 and 8. The OIC actuary also reviewed historical paid claims and loss ratios, checked the consistency of the incurred-paid data from the Company's system with figures reported in the 2004 NAIC Annual Statement, and estimated claims unpaid for the valuation date of December 31, 2004.

Loss Ratios and Underwriting Gains/Losses

The 2004 overall loss ratio shown on page 7 of the 2004 NAIC Annual Statement was 81.57%. The 2004 net underwriting gains were \$3,423,400 which was 7.55% of earned premiums. The loss ratio and net underwriting gains were within the industry norm.

Unpaid Claims Adjustment Expenses

The unpaid claims adjustment expenses calculated by the Company's actuary were \$105,712 which were 2.7% of the unpaid claim estimate available at that time (as of November 30, 2004). Based on page 7, lines 15 and 19, the actual paid claims adjustment

expenses booked in the 2004 NAIC Annual Statement were equal to 2.7% of the actual paid claims.

Premium Deficiency Reserves

The assumptions used in the calculation of the PDR were reasonable. The calculations showed that a premium deficiency existed for conversion, individual, and small groups. The OIC actuary recommended an adjustment of \$700,000. (See Instruction No. 2)

Aggregate Health Claims Reserves

The Company's group contracts contain a contractual provision for the extension of benefits. The provision requires the Company to continuously cover the hospital stay until the member is discharged from such hospital stay, even if the contract is terminated while the member is receiving such inpatient care. The Company's estimate of \$197,457 for this liability is sufficient and no recommendations were made by the OIC actuary.

Claims Unpaid as of December 31, 2004

The Company reported \$4,417,441 as claims unpaid as of December 31, 2004. The method used by the Company's actuary was one of the methods prescribed by the American Academy of Actuaries. The OIC actuary estimated the unpaid claims and unpaid claim adjustment expenses for the same date using a method prescribed by the American Academy of Actuaries. The amounts estimated and reported by the Company were within a reasonable range and no examination adjustments were recommended.

REINSURANCE

The Company does not have any reinsurance program in place to protect itself from excessive losses. (See Comments and Recommendations No. 1)

STATUTORY DEPOSITS

The Company maintained the following statutory deposits as of December 31, 2004:

<u>Location</u>	<u>Type of Security</u>	<u>Par Value</u>	<u>Statement Value</u>	<u>Market Value</u>
Washington	US Treasury Note	\$ 1,025,000	\$ 1,048,487	\$ 1,023,278

Securities held by the state of Washington were confirmed directly with the Company's authorized representatives.

ACCOUNTING RECORDS AND INFORMATION SYSTEMS

The Company maintains its accounting records in Blue Bell, Pennsylvania on a Generally Accepted Accounting Principles (GAAP) accrual basis of accounting and adjusts to Statutory Accounting Principles (SAP) basis for NAIC Annual Statement reporting. The Company is audited annually by the certified public accounting firm of KPMG. The Company received an unqualified opinion for all years under review. The Company's accounting procedures, internal controls, and transaction cycles were reviewed during the planning and testing phase of the examination and no exceptions were noted.

The management of the Company is sufficiently knowledgeable of the information systems (IS) process. Systems development, acquisition, and maintenance controls were evaluated to gain assurance that appropriate controls are in place. Operations and application controls were reviewed to determine the type of hardware installed; operating systems and proprietary software in use; back up and recovery facilities employed; and the controls exercised to maintain data security. Sufficient internal controls are in place and monitored by the Company. The Company's IS Department has the ability to recover from an incident or disaster and has documented these procedures in a detailed, disaster recovery plan.

SUBSEQUENT EVENTS

No material subsequent events were disclosed during the examination.

FOLLOW UP ON PREVIOUS EXAMINATION FINDINGS

This is the first full scope examination of the Company.

FINANCIAL STATEMENTS

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AETNA HEALTH INC.
ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS

DECEMBER 31, 2004

	BALANCE PER COMPANY	REF NOTE	EXAM ADJUSTMENT	BALANCE PER EXAM
Assets				
Bonds	\$ 12,354,759	1	\$ (1,021,269)	\$ 11,333,490
Cash and short-term investments	2,730,306			2,730,306
Subtotal, cash and invested assets	<u>15,085,065</u>		<u>(1,021,269)</u>	<u>14,063,796</u>
Investment income due and accrued	74,641			74,641
Premiums and considerations				
Uncollected premiums and agents' balances in course of collection	1,153,281			1,153,281
Net deferred tax asset	1,831,451	3	300,477	2,131,928
Health care and other amount receivables	172,396			172,396
Aggregate write-ins for other than invested assets	179,831			179,831
Total Assets	<u>\$ 18,496,665</u>		<u>\$ (720,792)</u>	<u>\$ 17,775,873</u>
Liabilities, Surplus and other Funds				
Claims unpaid	\$ 4,417,441			\$ 4,417,441
Unpaid claims adjustment expenses	105,703			105,703
Aggregate health policy reserves	127,561	2	700,000	827,561
Aggregate health claims reserves	197,457			197,457
Premiums received in advance	8,689			8,689
General expenses due or accrued	703,312			703,312
Current federal and foreign income tax payable and interest thereon	240,493			240,493
Amounts due to parent, subsidiaries and affiliates	30,006			30,006
Aggregate write-ins for other liabilities	758,668			758,668
Total Liabilities	<u>6,589,330</u>		<u>700,000</u>	<u>7,289,330</u>
Common capital stock	20,000			20,000
Gross paid in and contributed surplus	39,552,318			39,552,318
Unassigned funds (surplus)	(27,664,983)	1, 2, 3	(1,420,792)	(29,085,775)
Surplus as regards policyholders	<u>11,907,335</u>		<u>(1,420,792)</u>	<u>10,486,543</u>
Total Liabilities, Surplus and other Funds	<u>\$ 18,496,665</u>		<u>\$ (720,792)</u>	<u>\$ 17,775,873</u>

AETNA HEALTH INC.
STATEMENT OF REVENUE AND EXPENSES AND CAPITAL AND SURPLUS
ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2004

	BALANCE PER COMPANY	REF NOTE	EXAM ADJUSTMENT	BALANCE PER EXAM
STATEMENT OF REVENUE AND EXPENSES				
Members months	202,116			202,116
Net premium income	\$ 45,731,985		\$ 0	\$ 45,731,985
Total revenues	45,731,985		0	45,731,985
Hospital and Medical:				
Hospital/medical benefits	28,970,166			28,970,166
Other professional services	587,239			587,239
Outside referrals	1,321,769			1,321,769
Emergency room and out-of-area	2,029,023			2,029,023
Prescription drugs	4,396,925			4,396,925
Total hospital and medical	37,305,122		0	37,305,122
Less:				
Claims adjustment expenses	1,007,238			1,007,238
General administrative expenses	6,035,349			6,035,349
Increase in reserve for accident and health contract	(2,039,124)	2	700,000	(1,339,124)
Total underwriting deductions	42,308,585		700,000	43,008,585
Net underwriting gain or (loss)	3,423,400		(700,000)	2,723,400
Net investment income earned	1,065,528			1,065,528
Net realized capital gain or (losses)	(159,799)			(159,799)
Net investment gain or (losses)	905,729		0	905,729
Net income or (loss) before federal income taxes	4,329,129		(700,000)	3,629,129
Federal and foreign income taxes incurred	(928,226)			(928,226)
Net income	\$ 5,257,355		\$ (700,000)	\$ 4,557,355
CAPITAL AND SURPLUS ACCOUNT				
Capital and Surplus Prior Reporting Year	\$ 28,527,171		\$ 0	\$ 28,527,171
Gains and (Losses) in Surplus				
Net income or (loss)	5,257,355	2	(700,000)	4,557,355
Change in net deferred income tax	(2,454,543)	3	300,477	(2,154,066)
Change in nonadmitted assets	2,477,352	1	(1,021,269)	1,456,083
Surplus adjustments - Dividends paid to Parent	(21,900,000)			(21,900,000)
Net change in capital and surplus	\$ (16,619,836)		\$ (1,420,792)	\$ (18,040,628)
Capital and surplus end of reporting period	\$ 11,907,335		\$ (1,420,792)	\$ 10,486,543

AETNA HEALTH INC.
RECONCILIATION OF SURPLUS FOR THE LAST THREE YEARS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Capital and surplus, December 31, previous year	<u>\$ 28,527,171</u>	<u>\$ 32,463,086</u>	<u>\$ 38,020,453</u>
Net income	5,257,355	5,917,685	(8,433,422)
Change in net deferred income tax	(2,454,543)	(1,495,043)	(1,119,183)
Change in nonadmitted assets	2,477,352	5,040,501	3,344,128
Capital changes - Paid in	0	0	17,000,000
Surplus adjustments - Dividends paid to Parent	(21,900,000)	0	0
Dividends to stockholders	0	(17,200,000)	(14,000,000)
Aggregate write-ins for gains and losses in surplus	0	3,800,942	(2,348,890)
Change in surplus as regards policyholders for the year	<u>(16,619,836)</u>	<u>(3,935,915)</u>	<u>(5,557,367)</u>
Surplus as regards policyholders, December 31, current year	<u>\$ 11,907,335</u>	<u>\$ 28,527,171</u>	<u>\$ 32,463,086</u>

AETNA HEALTH INC.
ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE
EXAMINATION
AS OF DECEMBER 31, 2004

	PER COMPANY	PER EXAM	EXAMINATION ADJUSTMENT REF NOTE	INCREASE (DECREASE) IN SURPLUS	TOTAL
Capital and Surplus, December 31, 2004 - Per NAIC Annual Statement					\$ 11,907,335
<u>ASSETS</u>					
Admitted Bonds	12,354,759	11,333,490	1	(1,021,269)	
Deferred Tax Assets	1,831,451	2,131,928	3	300,477	
<u>LIABILITIES</u>					
Aggregate Health Policy Reserves	127,561	827,561	2	(700,000)	
Change in surplus					(1,420,792)
Capital and Surplus, December 31, 2004 - Per Examination					<u>\$ 10,486,543</u>

NOTES TO THE FINANCIAL STATEMENTS

1) Investments

The Company's investment in the following securities exceed the maximum amount that is allowed by RCW 48.13.030(1) and RCW 48.13.180(2), which states that a domestic insurance company shall not have investments in one entity in an amount exceeding more than 4% of its total assets unless the investment is backed by the full faith of the United States Government.

CUSIP	Description	Annual Statement Amount	Maximum Allowed Amount	Exam Adjustment
683234MF2	Ontario Province	\$ 988,926	\$ 739,867	\$ 249,059
064057BF8	Bank of New York	997,772	739,867	257,905
260543BS1	Dow Chemical	995,690	739,867	255,823
339030AD0	Fleet Boston	998,347	739,867	258,480
	Total			<u>\$ 1,021,269</u>

The above investments individually exceeded the maximum allowed amount in any entity which is limited to 4% of its total assets or \$739,867. Therefore, an examination adjustment was made, reducing the admitted amount of the Company's investments in the above mentioned securities to 4% of the Company's total admitted assets or an adjustment of \$1,021,269. (See Instruction No. 1)

2) Premium Deficiency Reserves

The expected future medical costs, including maintenance costs, will exceed anticipated future premiums on existing contracts by \$700,000 after considering investment income. The OIC actuary recommends an examination adjustment by increasing Aggregate Health Policy Reserves by \$700,000 to account for this liability. (See Instruction No. 2)

3) Net Deferred Tax Assets

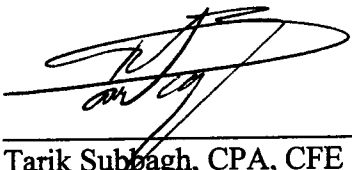
The examiners recalculated net deferred tax assets after making the above adjustments. Deferred tax assets increased by \$300,477 as a result of the adjustments.

ACKNOWLEDGMENT

Acknowledgment is hereby made of the cooperation extended to the examination team by the officers of Aetna Health Inc. during the course of this examination.

In addition to the undersigned, Michael V. Jordan, CPA, CFE, MHP, Assistant Chief Examiner; Timoteo L. Navaja, CFE, CIE, Field Supervising Examiner; John J. Gaynard, CPA, CFE, CPCU, Reinsurance Specialist; Timothy F. Hays, CPA, JD, Investment Specialist; Bert Karau, CPA, Insurance Examiner; Adrienne DeBella, CPA, Insurance Examiner; Lichiou Lee, ASA, MAAA, Health Actuary; and John R. Jacobson, AFE, IS Specialist, all from the Washington State Office of the Insurance Commissioner, participated in the examination and the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tarik Subbagh', is written over a horizontal line.


Tarik Subbagh, CPA, CFE
Examiner in Charge
State of Washington

AFFIDAVIT


STATE OF WASHINGTON }
COUNTY OF KING } ss

Tarik Subbagh, being duly sworn, deposes and says that the foregoing report subscribed by him is true to the best of his knowledge and belief.

He attests that the examination of Aetna Health Inc. was performed in a manner consistent with the standards and procedures required or prescribed by the Washington State Office of the Insurance Commissioner and the National Association of Insurance Commissioners (NAIC).


Tarik Subbagh, CPA, CFE
Examiner in Charge
State of Washington

Subscribed and sworn to before me this 3rd day of May, 2006.


Notary Public in and for the
State of Washington.

